

## How Economic Developers Use LED Statistics

Economic development planners can use LED to identify industries that they may want to help grow based on:

- ✂ **Turnover rates** in their area or in similar areas (Low turnover rates demonstrates an industry is a good match for the local labor force. Industries with high turnover rates may not provide desirable jobs or may need many more potential employees in the labor pool.)
- ✂ **Earnings** in their area or in similar areas
- ✂ **Job creation** in your area or in similar areas

Businesses potentially relocating or expanding can use LED data for a variety of purposes:

- ✂ **Turnover rates** for related industries are very important, especially if can compare to U.S. turnover rates for same industries. In general, low turnover rates would be most desirable to businesses considering moving into or expanding in an area, but sometimes high turnover rates sustained over a long time also can indicate that labor availability hasn't been an issue for existing employers in related industries.
- ✂ **Age of current employees** in related industries may influence decisions about whether to relocate or expand.
- ✂ **Number and age of past employees of related industries** that recently separated due to downsizing can demonstrate that there are employees with desired skills available in area.
- ✂ **Earnings of employees in related industries**, especially if compared to earnings in the area an employer may be moving from, is very helpful in demonstrating that labor in your community is affordable. The earnings data also can be used to determine the best wage rates to use to recruit employees.
- ✂ **Number, age, and sex of employees in related industries** may provide clues about where to direct recruitment efforts when it comes time to recruit employees for the business that is relocating or expanding.

When deciding where to spend economic development and job training dollars, officials may want to look at:

- ✂ **Turnover rates** for related industries. Low rates may indicate training needs will be minimal, but high rates may indicate training needs will be greater.
- ✂ **Characteristics of new hires** may help direct officials to population groups that may not be tapped into. This can help them redirect their training or job development efforts to include those groups.

❧ **Earnings** for related industries in that area or similar areas. In general, they may want to provide the most assistance to businesses that provide the greatest economic impact through higher earnings.

❧ **Industries with the most new hires** in that area or similar areas may help them decide which industries to focus dollars and time on.

**Economic development organizations also do use LED statistics to measure their successes:**

❧ More **job creation**

❧ Reduced **turnover** rates

❧ Reduced **separations**

❧ Higher **earnings**